GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:146
ANSWERED ON:30.11.2009
IMPACT OF FDI ON DOMESTIC COMPANIES
Hassan Dr. Monazir ;Sharma Shri Jagdish

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is contemplating to open up Foreign Direct Investment (FDI) to new sectors and also augment the FDI inflow in the country;

(b) if so, the details thereof;

(c) the number of FDI offers received and cleared by the Government during the last three years and the current year;

(d) the sectors to be benefited by these FDI offers;

(e) whether the Government has assessed the adverse impact of FDI on domestic companies; and

(f) if so, the details thereof and the corrective action taken thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) to (f); A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (f) OF THE LOK SABHA STARRED QUESTION NO.146 FOR ANSWER ON MONDAY THE 30-11-2009

(a) & (b): Government has put in place a simple and transparent policy for Foreign Direct Investment (FDI) wherein most of the sectors are open to FDI under the automatic route. Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis through inter-Ministerial consultations with a view to attract FDI in more industries and sectors.

(c) & (d): During the last three years, Foreign Investment Promotion Board (FIPB) received a total of 1102 proposals for FDI (286 in 2006, 393 in 2007 and 424 in 2008). During the year 2009 (up to November 2009), 238 proposals were received. The break-up of the proposals is as under:

Year	Received	Approved	Rejected	Withdrawn/ closed
2006	286	265	8	13
2007	392	331	24	37
2008	424	378	28	18
2009 (up to 19-11-2009)	238	190	13	6

29 proposals are either listed for consideration or to be listed in the forthcoming meeting.

(e) & (f): No, Madam. However, the Government had instituted a study on the subject `Growth linkages of Foreign Direct Investment {FDI) in India` through the National Council of Applied Economic Research (NCAER). Main findings of the study are at Annex-I. Foreign Direct Investment (FDI) complements and supplements domestic investment. Domestic companies are benefited by FDI by way of capital, state-of-art technology and best managerial practices so that they have better access to foreign technology and get opportunity of integration into the global market.